



Thomas A. Schatz
President

December 10, 2001

The Honorable J. Frederick Motz, Chief Judge
U.S. District Court for the District of Maryland
101 W. Lombard Street
Baltimore, Maryland 21201

c/o Microsoft Corporation
One Microsoft way
Redmond, Washington 98052

Dear Judge Motz:

Citizens Against Government Waste (CAGW) would like to comment on the proposed settlement in the Microsoft class action lawsuit. CAGW was created 17 years ago after the late J. Peter Grace presented to President Ronald Reagan the 2,478 findings and recommendations of the Grace Commission (formally known as the President's Private Sector Survey on Cost Control). These recommendations provided a blueprint for a more efficient, effective, less wasteful, and smaller government. Since 1984, the implementation of Grace Commission and CAGW recommendations have helped save taxpayers more than \$687 billion.

The proposed settlement on the class action lawsuits would benefit society, all levels of government, and students and parents.

First and foremost, society as a whole benefits because technology can be used to break down social barriers between classes. For example, there has been concern that white, middle and upper class students have greater opportunity to score higher on the Scholastic Aptitude Test (SAT) because of the availability of preparation classes. With the advent and growth of the Internet, there are numerous on-line tutorial programs to help students prepare for the SAT's. Without access to technology, students are not able to access this information. Many other educational resources are accessible via the Internet. The Internet is color and class blind. It provides information to anyone seeking it.

Second, taxpayers will benefit from the proposed settlement. Even though the federal government spends more than \$40 billion annually on education, school districts are not flush with money. While it is true that wealthier school districts have the resources for extra-curricular and other activities, the poorer ones are not as fortunate. In fact, without extra revenue, students in poor school districts aren't able to offer after-school activities such as sports or other clubs.

1301 Connecticut Avenue, N.W.
Suite 400
Washington, D.C. 20036
202-467-5300

Third, all levels of government win. Federal courts will not have to devote tax dollars to hearing this case. State and local funds currently earmarked for computers and software can be spent instead on hiring additional teachers or fixing up dilapidated buildings. Governments are starting to understand the critical role of computers in the classroom. Now schools can have computers without the cost. There can be no better deal for taxpayers.

The most important beneficiaries of this agreement are students and parents. Technology empowers people. It helps them acquire the skills they need to succeed in today's fast-paced economy. Without the necessary computer skills, students will ultimately be left behind in the new technology age. By targeting technology to the most needy schools, there will be greater opportunity for students who might never receive access to the most up-to-date computers and software.

Too often class action lawsuits are settled with little or no reward to those affected. Settling this case with an innovative and unique solution sends a positive message to the nation and sets an example for future class action litigation. CAGW applauds both sides of the lawsuit and urges the court to move forward with the implementation of the proposed settlement. Thank you for your time and consideration.

Sincerely,

Tom Schatz